

Ventura County Regional Economic Recovery Work Plan June 1, 2009

I. Introduction

Ventura County is located on the Pacific coast and covers an area of 1,843 square miles. It is bounded on the north by Kern County, on the west by Santa Barbara County and on the south and east by Los Angeles County. Ventura is the 11th most populous county in the State, with its population concentrated in the southern portion of the county, along the coast in the cities of Ventura, Oxnard and Port Hueneme, along the highway 101 corridor through Ventura, Oxnard, Camarillo and Thousand Oaks, and along highway 118, in Moorpark and Simi Valley. Nearly all the northern half of the county is in the Los Padres National Forest, which includes several federally designated wilderness areas.

Population: The population of the County in January 2009 was estimated at 836,080, a 10.6% increase from the 2000 census. The trend since 2000 represents a considerable slowing of the County's growth, as compared to far more rapid change from the 1960's into the 1990's.

Land use policies adopted by the county and its cities are designed to maintain the green belts between cities, to preserve agriculture as an industry and generally to control and direct growth within defined urban boundaries. While slowing growth in housing and industrial development, the benefit of these policies has been the retention of open space and a quality of life not commonly found in Southern California.

There are ten incorporated cities in the County. The cities' and unincorporated area's estimated populations in 2009 are shown below. Including unincorporated areas, the total County population is 836,080.

Camarillo	66,149
Fillmore	15,639
Moorpark	37,086
Ojai	8,157
Oxnard	197,067
Port Hueneme	22,171
San Buenaventura	108,787
Santa Paula	29,725
Simi Valley	125,814
Thousand Oaks	128,564
Balance of County	96,921
TOTAL	836,080

Ventura County Regional Economic Recovery Work Plan

June 2009

Page 2

Among the fastest growing cities since 2000 are Moorpark (+18.1%), Camarillo (+15.9%), Oxnard (+15.7%) and Simi Valley (+13.0%).

Source: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2009, with 2000 Benchmark*. Sacramento, California, May 2009.

Housing: There were a total of 255,527 occupied housing units in 2007 with 175,059 or 68.5% owner occupied, and 80,468 renter occupied or 31.5%. The average household size is 3.07.

The County's median sales price for an existing detached single-family home was \$327,000 in February 2009, down 26.5% from a year earlier and a decline of \$354,000 from the 2006 median home price of \$681,190. The large decline in sales price is due to credit tightening, consumer uncertainty and the increase in the number of distressed sales.

Ventura County first-time home buyer housing affordability index was estimated at 48% in the second quarter of 2008, compared to 25% in 2007. The 48% is comparable to the California index but lower than the nation at 67%. Assessed valuation in 2008-09 increased 3% to \$101.6 billion from \$98.5 billion in 2007-08.

Employment: Employment in April 2009 in Ventura County was 308,800 with unemployment at 9.2%, placing us 10th among California's 58 counties. During the early months of 2009, Ventura County has consistently placed approximately mid-way between the federal and total state unemployment rates.

Employment by sector is shown below:

Total, All Industries	308,800	100%
Total Farm	30,400	9.8%
Total Nonfarm	278,400	90.2%
Natural Resources & Mining	1,100	0.4%
Construction	14,100	4.6%
Manufacturing	34,000	11.0%
Trade, Transportation & Utilities	52,500	17.0%
Information	5,300	1.7%
Financial Activities	19,900	6.4%
Professional & Business Services	35,400	11.5%
Educational & Health Services	31,900	10.3%
Leisure & Hospitality	31,000	10.0%
Other Services	9,800	3.2%
Government	43,400	14.1%

Current Economic Performance: While long recognized for its positive economic performance, the recent recession has hit Ventura County particularly hard. As recently as 2002, Ventura County was rated among the nation's top five urban areas by the Milken Institute's Best Performing Cities Index. By 2008, Ventura County had fallen to 140th. For the one year period March 2007 to March 2008, Ventura County ranked 191 out of 200 in Milken's measure of urban areas for job growth. In the most recent reports (April 2009, CA Labor Market Information Division), Ventura County is down by 14,700 jobs from one year ago, or a 5.0% loss of all private sector jobs.

Summary of Economic Indicators: This recent downward cycle notwithstanding, Ventura County continues to enjoy benefits derived from its diverse economic base.

- Strong high tech industry: Even after the recent cycle of job loss, Milken's 2008 index for best performing cities continues to rank Ventura County among the nation's top 5% for concentration of high tech businesses and jobs.
- High gross county productivity: Ventura County's gross county product per capita in 2007 is estimated 68,500, higher than the gross state product per capita of \$48,300.
- Wages are trending upward, albeit slowly: 2007 Ventura County average salary for all sectors is estimated at \$46,500, slightly higher than the 2006 average of \$45,000.
- Median family income for the County in 2007 remained unchanged from 2006 at \$79,500, but still higher than California's median family income of \$65,000.
- Ventura County's economic growth rate in 2008 is expected to be considerably lower than the annual 4% rate of past years due mainly to weakness in the real estate sector.

Source: UCSB Economic Forecast Project, 2008

Opportunities and Priorities for Ventura County Economic Competitiveness: Following represents a summary of the County's regional priorities and opportunities:

- Support technology transfer and other public/private partnerships with Naval Base Ventura County and our region's universities, especially Cal State University Channel Islands, Cal Lutheran University and UC Santa Barbara.
- Accelerate our region's participation in import/export trade, collaborating with the Port of Hueneme to establish Ventura County as a nationally recognized innovator in the global economy.
- Maintain our diverse industry base, essential to weathering economic downturns

and sustaining our breadth of opportunity for business growth and employment.

- Advance opportunity for innovation in our region's extraordinary concentration of businesses in the high-tech, bio-tech, agriculture and manufacturing sectors.
- Build on the value of our skilled and diverse workforce, investing in education and training, addressing current and future labor market demand.
- Cultivate our region's innovation in entrepreneurship and micro-enterprise development, facilitating business connection to essential resources for growth.
- Increase investment in our infrastructure, enhancing transportation and communication networks and assuring our appropriate access to water resources.
- Sustain our quality of life, our balance between healthy urban, rural and recreational environments.
- Encourage business participation in emerging clean energy and green economy opportunities, consistent with our goals for a sustainable regional economy.

II. Infrastructure

See attachments for:

- Exhibit A, Allocation of Stimulus Funds for Transportation
- Exhibit B, Allocation of Stimulus Funds for Other Infrastructure
- Exhibit C, Infrastructure Potentially Shovel-Ready within Two Years

III. Support for Housing and Communities

See attached for Exhibit D, Support for Housing and Communities.

Priority Exhibit A transportation projects include several to improve the flow of traffic on the county's two primary east/west thoroughfares, highways 101 and 118, particularly improvements at the Rice Road/101 interchange in Oxnard. Additional work along Rice Road will complete long-planned and high-value improvements for intermodal connections to the Port of Hueneme.

A sampling of notable projects on Exhibits C and D include:

- Numerous wastewater and storm drain projects throughout the County and the ten cities, and particularly the removal of Matilija Dam near Ojai, in the unincorporated area of the County.

- Highway 126 widening and business park infrastructure improvements in the City of Fillmore, to attract and grow new business opportunities in this rural area.
- New highway 101 interchange at Springville Road in Camarillo, facilitating both industrial opportunity and capacity for residential development.
- Infrastructure for planned Commonwealth Studios and support for a Human Services Center and downtown commercial development in Moorpark. Commonwealth Studios represents extraordinary economic growth, as the only newly proposed studio infrastructure anywhere in the southern California region for the movie and television industries.
- Park and performance arena improvements at Libbey Park in Ojai, providing essential investments to maintain the viability of the region's tourism and entertainment sector.
- Light rail replacement and improvements in the City of Port Hueneme.
- Infrastructure improvements in the City of Santa Paula to support industry growth, particularly for opportunities in wind turbine manufacturing.
- City hall expansion and solar power improvements for sewage treatment in Simi Valley.
- Improvements to the 101/23 freeway interchange in the City of Thousand Oaks.
- Numerous energy efficiency projects in the City of Ventura.

The bullet points above are just a small sampling of the several pages of projects in Exhibits A, B and C.

IV. Site Certification Program

We informally surveyed our ten cities and the County of Ventura and found a high level of interest in working with the state to develop a statewide or regional "shovel-ready site certification program" designed to enhance readiness to attract investment and facilitate new jobs and revenue-generating development. A motivating factor for local interest is the observation that we have lost some 14,500 jobs, or 5% of our private sector jobs over the last year. Job creation and industry attraction are increasingly important; a site certification may enhance our abilities to attract business.

Further motivating our interest, our region's partners recognize that we are at a competitive disadvantage to other states and regions which have established and recognized site certification systems. Local buy-in would be assured assuming the following:

- That the state defines a clear set of standards—recognized by all divisions of state and local government. This would assure that locals know the target and that the efforts to meet them won't be defeated by unanticipated change.
- That the state develops technical assistance for meeting the standards, particularly helping local jurisdictions which so choose to align their approval and

entitlement processes to the site certification program

- That the state will be a partner with locals for marketing the certification and projects that meet the standards and reasonably invest in a national promotional program.

V. Support for Small Business Innovation

We are extremely interested in all the elements identified in the February 9 Stakeholder letter identifying the guidelines for these work plans:

Manufacturing & Economic Recovery Tools: The manufacturing sector remains particularly strong in Ventura County, with over 34,000 jobs, or 11% of all industry employment and a still higher than average wage level. Ventura County continues to rank among the nation's top 5% of urban regions for the density of high tech businesses and jobs. Earnings are particularly high in nondurable manufacturing which remains extremely competitive in Ventura County. As elsewhere across California, manufacturers are struggling with pressures from international trade and rapidly advancing technology. Facilitating our manufacturing sector's access to global markets and efficiently managing the transition to advanced manufacturing are high priorities locally. Our continuing strong base in manufacturing helps attract interest from start-ups and relocating businesses. Continuing access to IDBs, tax credits and other supports remain high priorities for fueling start-ups, retaining and attracting these businesses.

Department of Energy: We continue to field interest from several start-up businesses in our region that are developing and adapting alternative energy solutions. Alongside the complexities of the technology and regulatory issues, access to capital is their greatest barrier to success. Most perceive that few financial resources are available outside venture capital or angel investment.

California's investment in these businesses—through programs that complement the new resources made available through ARRA—would be an extremely valuable contribution to state and local economic competitiveness.

Further, in Ventura County the EDC-VC is working on strategies to fund an expansion of our existing base of business assistance resources, for providing business consulting services relative to energy efficiency—and improving business' bottom lines—and for new loan funds to facilitate access to affordable capital for businesses who are looking to invest in energy efficiency or develop products and services contributing to the reduction of green house gases. From a local economic development perspective, it is critical that the State of California help provide such resources for local business investment.

Small Business Administration: As noted above for alternative energy businesses, access to capital is currently the greatest barrier to small business economic success. While new SBA products—or increased guarantees—are helpful, California’s partnership for investing in small business lags behind other states. California’s own capitalization of loan funds—made available to community-based local lending institutions—would advance the state and local partnership and would dramatically improve our offerings to business start-up, retention and growth.

Green Teams: We are exploring the option now of organizing local capacity to assist businesses reduce energy costs and becoming more efficient. Beyond this, we see “green teams” adding even greater value by developing the capacity to assist businesses in identifying new markets and consumer demand for green products and services, helping both current “green businesses” maximize their market access and existing businesses to adjust their product lines where appropriate to respond to the emerging and growing demand. While such support can be provided through local delivery, a state funded resource that locals could draw on both for capacity building and to offset the costs of small business consulting—for green team services—would be extremely valuable, again offering California and its regions competitive advantage.

Innovation Zones: Ventura County is particularly well-positioned to take advantage of the state’s designation of “innovation zones around the State’s universities, federal laboratories and research centers to stimulate and support young innovative companies in advanced manufacturing, life sciences, information technology and environmental or renewable energy.” We are well positioned primarily owing to the recent establishment of California State University-Channel Islands (CSUCI), the newest of the Cal State campuses. CSUCI leadership has been very active and open in working with local industry to develop its offerings in a manner that complements local industry priorities. Incentivizing that creativity and community partnership by an innovation zone program would yield immediate benefits. Complementing this creativity, California Lutheran University—in Thousand Oaks—is also concentrating on supporting entrepreneurship as a means to support regional economic development. Our close proximity to research centers at UC Santa Barbara and several institutions in Los Angeles County make the idea of an innovation zone extremely attractive.

Further, Naval Base Ventura County is a valuable local partner, renowned for its partnerships with industry throughout the region. Again, creating a state-sponsored program to reward and incentivize public/private partnerships and innovation would fit very well with our local economic development strategies and priorities.

Currently in Ventura County and up the central coast, including Santa Barbara and San Luis Obispo counties, there is a regional effort to build a Green Coast partnership, using the innovation zone concept as one of its organizing principles to promote economic growth.

Innovation Fund: As noted in several instances above, access to capital is a serious barrier to regional business innovation and growth. As a community-based lender—funded by Department of Commerce Revolving Loan Funds and our cities' investment—we routinely meet with start-ups that find themselves stuck between a lack of access to commercial credit and a shrinking and extremely competitive market in venture capital. Relative to the latter, many of these start-ups are seeking to limit their partnership with equity investors, preferring instead to find a balance that allows the entrepreneurs to keep a larger share and grow the business to its greatest success in this region, generating sustainable jobs as an equal priority to investor profit through an exit strategy. While those decisions should not be legislated, the state could benefit both its entrepreneurs and its regions by creating greater business access to capital that leverages equity and commercial investments. We see the establishment of an innovation fund as one of the most profoundly important means for California to support business innovation and growth.

VI. Workforce Development

The Ventura County Workforce Investment Board anticipates a \$6.9 million investment in ARRA funds through WIA Youth, Adult and Dislocated Worker funding, augmented by a \$699,000 allocation in Rapid Response funds.

The Workforce Investment Board is a partner in our regional Economic Development Roundtable and participates in our development of regional economic strategy. The Board's current priorities include facilitating the connection of workers to careers in Allied Health and helping workers gain basic skills essential to technology employment.

In addition to its efforts toward worker skill development and placement, the Ventura County WIB funds a layoff aversion program with the EDC-VC, through which we provide direct, one-on-one consulting for small businesses that are at risk of laying off workers. This project's direct service to business contributes to our regional capacity to retain businesses and jobs in Ventura County, with over 100 at-risk jobs retained annually.

The Ventura County WIB has developed a partnership with the WIBs in Santa Barbara, San Luis Obispo and Monterey counties, and are jointly seeking discretionary WIA funding to support a green jobs initiative.

We are jointly committed to working together locally and with the state to compete for federal grants for training and placement, leveraging or developing the various state and federal workforce development initiatives, and addressing areas of high unemployment.

Contact Information

Should you have any questions about this draft Recovery Work Plan, please contact Bruce Stenslie, President/CEO, Economic Development Collaborative-Ventura County, 384-1800, x 24, bruce.stenslie@edc-vc.com.